

## Message Text

UNCLASSIFIED

PAGE 01 TOKYO 06712 301157 Z

42

ACTION EA-14

INFO OCT-01 EUR-25 ADP-00 RSR-01 AID-20 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15

STR-08 CEA-02 DODE-00 PA-03 USIA-12 PRS-01 /165 W  
----- 075553

R 301000 Z MAY 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 4227

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

USEC MISSION BRUSSELS

USOEDC MISSION PARIS

UNCLAS TOKYO 6712

PASS TREASURY AND FEDERAL RESERVE

E. O. 11652: N/ A

TAGS: EFIN, JA

SUBJ: DISCOUNT RATE INCREASE ANNOUNCED

SUMMARY: BOJ HAS RAISED OFFICIAL DISCOUNT RATE BY  
0.5 PERCENT, EFFECTIVE MAY 30, REPRESENTING SECOND  
INCREASE EFFECTED THIS YEAR. RESERVE REQUIREMENT  
RATIOS ARE ALSO TO BE INCREASED. END SUMMARY.

1. BOJ, IN POLICY BOARD SESSION OF MAY 29, DECIDED TO  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TOKYO 06712 301157 Z

RAISE OFFICIAL DISCOUNT RATE BY 0.5 PERCENT TO 5.5 PERCENT, EFFECTIVE MAY 30. THIS REPRESENTS " SECOND ROUND" ATTEMPT TO FURTHER TIGHTEN CREDIT AND RESTRAINS RAPID EXPANSION OF AGGREGATE DEMAND WITHIN THE ECONOMY. ONLY TWO MONTHS AGO, ON APRIL 2, INITIAL CREDIT TIGHTENING WAS EFFECTED AS THE DISCOUNT RATE WAS RAISED BY 0.75 PERCENT ( REF TOKYO 3900, 4/2/73). IN ADDITION, RESERVE REQUIREMENTS FOR MAJOR BANKS WERE INCREASED IN JANUARY AND MARCH. DESPITE THESE EFFORTS, HOWEVER, ECONOMY HAS CONTINUED TO EXPAND RAPIDLY WITH PRICES MOVING EVEN HIGHER.

2. BESIDES IMMEDIATE DISCOUNT RATE HIKE, BOJ ALSO PLANS TO ENFORCE ADDITIONAL 0.25 P

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973TOKYO06712  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Film Number:** n/a  
**From:** TOKYO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730556/aaaajxbr.tel  
**Line Count:** 73  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** kellerpr  
**Review Comment:** n/a  
**Review Content Flags:** ANOMALY  
**Review Date:** 03 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03-Aug-2001 by reddocgw>; APPROVED <20-Aug-2001 by kellerpr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> mcm 980310  
**Subject:** DISCOUNT RATE INCREASE ANNOUNCED  
**TAGS:** EFIN, JA  
**To:** BERN  
BONN  
BRUSSELS  
CANBERRA  
EA  
LONDON  
LUXEMBOURG

SECSTATE WASHDC  
THE HAGUE

**Type:** TE

**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005